

Waiver Rider Rules

With the new opportunity for insurers in Indiana to issue waivers of coverage on individual health policies as per Bulletin 133, the Department of Insurance thought it might be helpful to condense the specifics of the statute to assist insurers in preparing their riders. The following are items that should be addressed in accordance with IC 27-8-5-19.3 (Association/Discretionary Group) and IC 27-8-5-2.7 (Individual Health):

1. The waiver period should be stated, either as a variable or as a set period of time, not to exceed 10 years.
2. The condition, and any complications thereof, being waived from coverage should be stated as a variable.
3. Include an area for the applicant to sign as an acknowledgement and acceptance of the coverage waiver.
4. Include in bold print, a statement that the applicant is receiving a policy containing an exclusion for that condition.
5. State the waiver period is concurrent with, and not in addition to, any other preexisting limitation or exclusionary period.
6. Include a statement on the waiver form reminding the applicant he/she may decline the offer and apply for coverage through the Indiana Comprehensive Insurance Association.

Obviously, these waivers of coverage would only be issued following the underwriting process, and then delivered with the policy. Remember, only two (2) waivers per person are allowed.

The reporting form due to the Department in September, 2006, as a summary of the waivers issued, will soon be available on this website.